

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION**

IN RE:) Chapter 11
)
EASTERN LIVESTOCK CO., LLC) Case No. 10-93904-BHL-11
)
Debtor.)
) Hon. Basil H. Lorch III

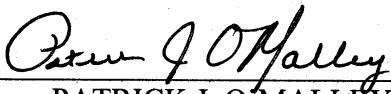
**DECLARATION OF PATRICK J. O'MALLEY IN SUPPORT OF
MOTION TO TRANSFER FUNDS AND
NOTICE OF RELEASE OF PROCEEDS FROM ACCOUNT**

I, Patrick J. O'Malley, hereby declare as follows:

1. I am a senior consultant and also serve as the Chief Financial Officer of Development Specialists, Inc. ("DSI"), a consulting firm that has provided management, turnaround and workout consulting, crisis management, financial advisory services and litigation support services including expert witness testimony for over three decades. DSI has offices throughout the United States including Los Angeles and San Francisco, California; Miami, Florida; Chicago, Illinois; New York, New, York; and Columbus, Ohio. I have been employed by DSI for over twenty (20) years.
2. My primary responsibilities at DSI involve advising clients and other constituents within a bankruptcy or troubled-company situation. I have acted as a Chief Financial Officer, Financial Advisor, Chapter 11 Trustee, Responsible Party and Examiner in bankruptcy proceedings. I have also acted as financial advisor to troubled businesses both within and outside of a bankruptcy proceeding. I have significant experience in circumstances of fraud and forensics accounting.
3. I received my Bachelor of Business Administration with a concentration in Public Accounting from Loyola University of Chicago I am a licensed Certified Public Accountant (CPA) in the State of Illinois.
4. I am over the age of eighteen years old and am competent to testify. If called to testify at the hearing on the Trustee's Motion To Transfer Funds And Notice Of Release Of Proceeds From Account filed in the above-captioned bankruptcy case ("the Case"), I would testify as set forth below.

5. On November 9, 2010, Elizabeth M. Lynch of DSI was appointed as Receiver of Eastern Livestock Co. LLC ("Eastern") by the Court of Common Pleas, Hamilton County, Ohio.
6. On December 6, 2010 ("Petition Date") an involuntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. was filed against Eastern.
7. On December 8, the Court entered an order *Permitting Current Receiver To Act As Custodian To Continue To Administer The Debtor's Property And Prohibiting Debtor's Management and Owners From Exercising Any Rights Related To The Debtor And Its Assets.*
8. On December 27, 2010, the Court entered the *Order Approving The Appointment Of James A. Knauer As Chapter 11 Trustee.*
9. On February 08, 2011, DSI was retained to serve as the Consultant to the Chapter 11 Trustee in the Case.
10. As the consultant to the Trustee, DSI has become familiar with the business operations and books and records of Eastern. DSI has attempted to collect amounts due Eastern from the previous sale of cattle and sell cattle that were owned by Eastern.
11. I personally supervised the preparation of *Exhibit A to Motion To Transfer Funds And Notice of Release of Proceeds From Account.*
12. Of the \$7,256,488.59 listed in Proceeds to be Transferred To Operating Account in Exhibit A to *Motion To Transfer Funds And Notice of Release of Proceeds From Account*, at least \$1,603,287.69 represents cash remittances from customers where the underlying producer/supplier have been paid by Eastern. A listing of those cash remittances from customers where the underlying producer/supplier have been paid by Eastern is attached as Exhibit I to this Declaration.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed this 24th day of June, 2011 at New Albany, Indiana.



PATRICK J. O'MALLEY

Eastern Livestock Co., LLC
 Analysis of Cash Receipts; Through May 13, 2011
 Exhibit I to O'Malley Declaration

Ref	Date of receipt	Payer	Customer	Total paid and held in holding account	Portion producer/ supplier paid	To remain in holding account	Paid producer/ supplier	Paid producer/ supplier references (if available)
4	12/13/10	Sam Countiss		31,236.72	31,236.72	-	Superior	SLot # 7045C
5	12/13/10	Robert Dobbs		49,981.65	49,981.65	-	Superior	SLot # 6303A
18	01/18/11	Jerry Thompson		54,782.96	54,782.96	-	Superior	SLots # 6322B , 6766
19	01/18/11	Joe Thompson		193,603.79	106,469.68	87,134.11	Superior	SLots # 5013B , 6332B , 6766
38	02/18/11	Bryan Mosier	Bryan Mosier	79,658.39	79,658.39	-	Superior, Todd Rosenbaum	SLot # 9436
39	02/18/11	Meyer Farms		88,458.38	88,458.38	-	Superior, Todd Rosenbaum	SLot # 9436
44	02/22/11	Feller & Co		58,833.28	58,833.28	-	Joplin Regional Regular Sale	
55	03/07/11	Fifth Third Bank	BACA	331,752.03	71,532.21	260,219.82	Superior, Producers Cattle	See below for BACA
61	03/11/11	Tri-County Electric	Refund	348.21	348.21	Not applicable		
								SLots # 9610B,6437A,6437B,4710,4711,8929, 6830A,9496,6377C,6360A,6438A,6397,6394 PC Lots 54450,54451
71	03/25/11	Baca County Feed Yard		693,094.23	400,072.44	293,021.79	Superior, Producers Cattle	
78	04/08/11	Nutritional Advances, Inc.	Steve Krajicek	53,807.00	53,807.00	Coffeyville, Ozark Regional		
80	04/08/11	Steve Krajicek		326,679.71	274,119.71	52,560.00	Superior	SLots # 7671F & #7671G
84	04/29/11	Ralph Hoodenpyle		675,544.35	333,987.06	341,557.29	Superior	SLots #'s 6830C,7045C,6276,6774, 6817B,6818, 7083,7084,9367,9428,9405C
				<u>2,637,780.70</u>	<u>1,603,287.69</u>	<u>1,034,493.01</u>		